

**DEPARTMENT OF STATE REVENUE**  
**LETTER OF FINDINGS NUMBER: 05-0134**  
**Adjusted Gross Income Tax**  
**For Tax Period 2001-2003**

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**ISSUE**

**I. Adjusted Gross Income Tax-Imposition**

**Authority:** IC § 6-3-2-1, IC § 6-8.1-5-1(b), IC § 6-8.1-5-4.

The taxpayer protests the imposition of adjusted gross income tax.

**STATEMENT OF FACTS**

The taxpayer's deceased husband operated a used car business. The taxpayer and her husband filed joint adjusted gross income tax returns for the years 2001 and 2003. No return was filed for 2002. After an investigation, the Indiana Department of Revenue (department) assessed the taxpayer and her deceased husband additional adjusted gross income tax, interest, and penalty for the tax period 2001-2003. The taxpayer protested and a telephone hearing was held. This Letter of Findings results.

**I. Adjusted Gross Income Tax-Imposition**

**DISCUSSION**

An adjusted gross income tax is imposed upon all Indiana residents. IC § 6-3-2-1. The taxpayer contended that the department erred in calculating the amount of adjusted gross income tax due. The taxpayer alleged that some of the receipts from car sales actually should have been attributed to her brother in law. Further the taxpayer alleged that she and her deceased husband were both disabled during part of the tax period and did not have any taxable earnings for those periods.

All tax assessments are presumed to be accurate and taxpayers bear the burden of proving that any assessment is incorrect. IC § 6-8.1-5-1(b). Taxpayers are required to maintain adequate records to allow the department to later determine the taxpayer's proper liability by reviewing those records. IC § 6-8.1-5-4. The taxpayer was unable to produce any documentation to demonstrate that the department calculated the adjusted gross income tax liability incorrectly.

**FINDING**

The taxpayer's protest is denied.